

**STEVENS INSTITUTE OF TECHNOLOGY**

**DIVISION OF FINANCE**

**CAPITAL ASSETS POLICY**

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### **POLICY STATEMENT**

As Stevens Institute of Technology acquires, uses and disposes of capital assets it has the responsibility to accurately track asset activity in its financial system of record. This reporting must be done in compliance with federal regulations following accounting industry standards.

### **REASON FOR POLICY**

This Policy defines the process for maintaining the Asset database for the University and ensuring a current and accurate facility and equipment inventory by requiring that all capital equipment purchases or donations, asset transfers and asset retirements are recorded in the Kualu Financial System (KFS) Capital Asset Management (CAM) module.

### **ENTITIES AFFECTED BY THIS POLICY**

All departments and personnel (including Students and Research Assistants) of Stevens Institute of Technology must abide by this policy.

### **WHO SHOULD READ THIS POLICY**

All personnel within Stevens Institute of Technology who are involved with the procurement, usage, transfer, disposal, separation, or control of capital assets.

### **WEB SITE ADDRESS FOR THIS POLICY**

[https://www.stevens.edu/sites/stevens\\_edu/files/files/Finance/policies/Stevens-Capital-Assets-Policy.pdf](https://www.stevens.edu/sites/stevens_edu/files/files/Finance/policies/Stevens-Capital-Assets-Policy.pdf)

### **RELATED DOCUMENTS**

- [Capital Asset Update Form](#)  
from this web page [www.stevens.edu/sit/finance/processes-forms](http://www.stevens.edu/sit/finance/processes-forms)
- [Capital Asset Management \(CAM\) Guide](#)  
from this web page [www.stevens.edu/sit/finance/kuali-portal/guides](http://www.stevens.edu/sit/finance/kuali-portal/guides)

*Also available on the guides page is access to various training session Power Point presentations and materials on related topics.*

- <http://www.stevens.edu/sit/finance/purchasing-at-stevens>

**DEFINITIONS**

These definitions apply to the terms used in this policy.

<b>Account Number</b>	The 7-digit number used to identify a pool of funds assigned to a particular University organizational entity for a specific purpose. Accounts are the fundamental building blocks of transactions in
<b>Accumulated Depreciation</b>	The dollar amount of depreciation for the asset from its acquisition date to the most recent depreciation calculation.
<b>Acquisition Cost</b>	Value of an asset at the time it is acquired. This is usually the invoice price or, if the asset is donated, the fair market value. Also included are the costs incurred to place the asset into service (examples of such would be shipping, freight, installation).
<b>Acquisition Date</b>	The year and month in which Stevens Institute of Technology acquired or received the asset (as determined by the shipping date, invoice date, or other source document), or the asset's beginning in-use date if a fixed asset.
<b>Additions</b>	Acquisition of new assets, or modifications to existing assets that increase the useful life or the service potential of the existing asset.
<b>Annual Depreciation</b>	The dollar amount of depreciation for the asset for the most recently completed fiscal year.
<b>Appraised Value</b>	Estimated value of an asset based on the expertise of a qualified independent appraiser.
<b>Asset Condition (Condition Code)</b>	The code used in the KFS Asset System to specify an asset's most recent condition as determined by physical inspection. See the Appendix for a complete list of these codes.
<b>Asset Number (Asset No.)</b>	This is a generated 6-10 digit number assigned by the University that identifies the asset in the KFS Asset Records.
<b>Asset Status Code</b>	The code in the KFS Asset System used to specify an asset's current status as determined by physical inspection or report by the Department. See the Appendix for a complete list of these
<b>Bar Code Tag</b>	Asset identification tag assigned and affixed to an asset for its individual identification.
<b>Book Value</b>	Difference between the acquisition cost and accumulated depreciation. When the asset is acquired – book value equals acquisition cost. When an asset is donated as a gift – Its book value is the fair market value at the time of the donation.
<b>Building</b>	A structure for permanent or temporary shelter of persons, animals, plants, or equipment.
<b>Building Class</b>	A class designating the type of construction of a building. See the Appendix for the list of building classes.
<b>Building improvements</b>	Equipment items designed and installed as an integral part of a structure. Building components differ from fixed equipment in that they are not separate from the building structure. Useful life of building components may differ from that of the building.
<b>Building Number/Abbreviation</b>	Number/abbreviation used in the KFS Asset System to designate each building at Stevens Institute of Technology. See Appendix for the list of building numbers/abbreviations.

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<b>Capital Asset</b>	A permanent item with an acquisition cost of \$5000 or more and a life span of more than one year that is held for purposes of furthering the Institute’s mission and not for investment or resale. See the Appendix for list of capital asset categories.
<b>Capitalization</b>	The recording of the acquisition cost of an item as benefiting one or more accounting years. Capitalized items have their acquisition costs depreciated or recovered via use allowance. Individual items with a unit cost of \$5,000.00 or more and a useful life of more than one year are capitalized and recorded in the appropriate capital assets account.
<b>Charitable Deduction Property</b>	Any property with respect to which the recipient (Stevens Institute of Technology) signed an appraisal summary (Section B on Internal Revenue Form 8283).
<b>Commodity Code</b>	Code that designates an article of trade or commerce, especially a product “asset” as distinguished from a service. The commodity codes currently used are: A – Animal C – Chemical G – Gases R – Radioactive CAP – Capital Assets
<b>Department Property</b>	The Stevens’ employee at the department level designated as responsible for capital asset control.
<b>Depreciation</b>	Method for allocating the cost of an asset (buildings and equipment, but not land) over time. Generally accepted accounting principles and federal regulations dictate that the value of capital assets must be recognized as expenses over the life of the asset.
<b>Disposal Code</b>	A code in the KFS system to indicate the reason for the disposal of an asset. Please see the appendix for a complete list of disposal codes.
<b>Disposal Date</b>	The date an asset is no longer in service.
<b>Disposition</b>	Final status of an asset when it is removed from the inventory of the University’s assets and no longer physically located on a Stevens’ premises. Examples include – Sale, Scrap, Charitable donation
<b>Fixed Equipment</b>	Equipment permanently affixed to a building, but separate from the building itself. Examples include light fixtures, wall-to-wall carpeting, and raised flooring.
<b>Excess / Surplus</b>	Asset(s) which is / are not needed by a department but may be needed by other departments at Stevens Institute of Technology.
<b>Expense</b>	The cost of an item not subject to depreciation but included in the current operating costs of the University. Individual items of equipment or furniture, with a cost of less than \$5,000.00 or a useful life of one year or less are expensed items.
<b>Fabricated Equipment</b>	Equipment built on-site, not purchased in final form.
<b>Fair Market Value</b>	An exchange price that a willing and well-informed buyer and seller would reach through negotiation under current market conditions.
<b>Fixed Asset</b>	see <i>Capital Asset</i>

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<b>Fixed Equipment</b>	Equipment permanently affixed to a building, but separate from the building itself. Examples include light fixtures, wall-to-wall carpeting, and raised flooring.
<b>Furniture</b>	A sub-category of movable equipment for offices, classrooms, dormitories, lobbies, and conference rooms.
<b>Gift-in-Kind</b>	Donation to Stevens of an asset other than cash or securities.
<b>Government Funded</b>	Property acquired with government funds under research grants or contracts which provide for transfer of title to Stevens Institute of Technology. Funding may cover a portion of the assets cost (partial) or the full amount.
<b>Government Furnished</b>	Property in the possession of, or directly acquired by, the government and subsequently made available to Stevens Institute of Technology. Title remains with the government. Title for this / these asset remains with the governmental entity unless transferred to Stevens Institute of Technology subsequent to the property's acquisition.
<b>Improvements other than buildings</b>	Capital assets that are modifications to an outside area. Examples include sidewalks, parking lots, sporting event fields, utility lines, and fences.
<b>Government Owned</b>	Property partially or completely furnished by the government on a loan agreement or otherwise, or purchased with government funds under contractual agreements, for which ownership is retained by the government.
<b>Intangible Asset</b>	A capital asset without a physical existence, such as patents, inventions, copyrights, and non-tangible software.
<b>KFS (Kuali Financial System) Capital Assets</b>	The computerized database of all property (fixed and movable assets) for which Stevens Institute of Technology has responsibility.
<b>Land</b>	The solid part of the surface of the earth. Costs included in the value of Land include the cost of the land, initial grading and clearing, any buildings acquired with the land but not intended for use, costs to demolish any buildings acquired with land to make the land available for new construction or other use, perpetual easements or rights of way, surveys, title searches, and geological opinions.
<b>Last Inventory</b>	The date of the most recent physical inventory of capital assets.
<b>Last Updated</b>	The date of the most recently entered information for an asset in the KFS Asset System.
<b>Maintenance</b>	Activities related to the repair and upkeep of an asset. The intent is to preserve the original useful life and function of the asset. The costs of maintenance activities are added to the book value of an asset only when the activities extend the life of an asset or add to its usable space.
<b>Manufacturer</b>	The name of the company or party who made the asset.
<b>Model Number</b>	The manufacturer's number to indicate the particular type of product which has been acquired.

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<b>Modular Furniture</b>	Pre-made parts that can be combined in different ways to furnish a room. Examples are movable partitions, cantilevered counters, pedestals, drawers, etc., to form room dividers and work surfaces. Only those parts with an acquisition cost of greater than \$5,000 and a life of more than one year are capitalized.
<b>Movable Equipment</b>	Capital assets that are neither permanently affixed to nor part of a building. Examples include centrifuges, copiers, oscilloscopes, and vehicles.
<b>Object Code</b>	A four character code, assigned to a transaction, to classify the Transaction as: income, expense, asset, liability or fund balance. For a list of the object codes associated with capital assets see the appendix.
<b>Obsolescence</b>	Classification of assets that are no longer useful to the University typically resulting in a write-down of the asset to reflect its reduced value
<b>Organization code</b>	The 4-digit organization code used to designate the unit responsible for the asset. Please see the appendix for the list of Organization codes.
<b>Original Cost</b>	The total net unit cost of the asset in the KFS Asset System at the time the asset was acquired. This includes the purchase price less any applicable discounts, plus any delivery charges, and cost of original installation.
<b>Proceeds of Sale</b>	The dollar amount the University receives for the asset at the time of its disposal.
<b>Real Property</b>	See Capital Assets
<b>Renovation</b>	Construction activity that changes or improves the function of all or part of a facility. To be capitalized the expenditure must exceed five thousand dollars and increase useable space or add one or more years of useful life.
<b>Land Improvements</b>	Capital assets not associated with a building or structure. Examples include, campus lighting, benches, roads, sidewalks, and parking lots.
<b>Room</b>	A room is a partitioned part of the inside of a building. The partition must be fixed and go from floor to ceiling. Closets, baths, halls, elevators, mechanical and custodial rooms are all included. A number is used to designate the room of the floor of the building in which the asset or space is located. If a room number includes a letter designation, the letter is shown as a suffix.
<b>Salvage</b>	Saving an asset from destruction for potential further usage.
<b>Scrap</b>	Item that can be discarded as worthless or broken down into parts for disposal or salvage.
<b>Serial Number</b>	The manufacturer's number to indicate the particular product item which has been acquired.



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<b>Software</b>	<p>Entire set of programs, procedures, and related documentation associated with a computer system.</p> <p>Personal computer operating and application software included with a purchase of a computer system (hardware) as part of the base system price will be considered part of that hardware system, and the related software will be included in the value of the hardware.</p>
<b>Special Collections</b>	Works of art, rare books, historical treasures, or scientific specimens that are held for public exhibition, education, or research, rather than financial gain.
<b>Sponsor Funded</b>	Property acquired by Stevens Institute of Technology with funds provided in non-government sponsored research grants or contracts which provide for transfer of title to the University. Assets may be funded for a portion of the cost (partial) or the full amount.
<b>Sponsor or Agency Owned</b>	Property partially or completely furnished by a non-government sponsor of research, to which the sponsor retains title.
<b>Supplies</b>	Items that have a useful life of less than one year and a value of less than five thousand dollars
<b>Title Date</b>	The date that the University acquired ownership of the asset from the previous owner..
<b>Total Cost</b>	See Original Cost.
<b>Unassignable Space</b>	A building's rooms that cannot be identified as belonging to a department. These rooms are generally in support of the building as a whole such as mechanical rooms, custodial areas or circulation areas (elevators, stairwells, corridors, etc.)
<b>Useful Life</b>	Period over which a capital asset has use to the University in performing the function for which it was purchased. May be determined by a schedule of averages for a particular class of assets.

**RESPONSIBILITIES**

<b>Department/Office</b>	<b>Responsibility</b>
All Stevens' Department personnel and Principal Investigators	<ul style="list-style-type: none"> <li>• Record capital asset acquisitions using the proper capital object code (7XXX) and include the Capital Commodity Code as well as completion of the Capital Assets tab.</li> <li>• Consult with Director of Environmental Health and Safety and Insurance Risk Management if additional insurance coverage is appropriate or required.</li> <li>• Exercise stewardship responsibilities for assets under its control.</li> <li>• Communicate changes in asset location, status/condition and asset representative to the Controller's Office.</li> <li>• Dispose of capital assets properly, with notification to appropriate personnel (i.e. EHS, IT, OSP/OSA, and Finance)</li> <li>• Participate in the physical inventory, verifying the existence and condition of all capital assets.</li> </ul>
Office of Development	<ul style="list-style-type: none"> <li>• Comply with donor and IRS capital asset disposition requirements.</li> <li>• Value and record gifts-in-kind of capital assets.</li> </ul>

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<p>Controller's Office – Capital Assets Team</p>	<ul style="list-style-type: none"> <li>• Review purchase requisitions for accurate use of codes in recording capital asset transactions.</li> <li>• Affix tags to capital assets. Create new asset records in the capital asset management system. Maintain the capital asset management system with asset information required by Federal guidelines.</li> <li>• Review and approve disposition requests. Comply with sponsor, donor and IRS capital asset disposition requirements.</li> <li>• Schedule and conduct physical inventories.</li> <li>• Decide on the accounting treatment for maintenance activities, as to whether the costs are capitalized or expensed.</li> <li>• Establish new capital project accounts and project codes in the financial accounting system.</li> <li>• Capitalize and fund construction projects.</li> <li>• Maintain capital chart of accounts, including all relevant account attributes as well as closing accounts.</li> <li>• Assist with present-value calculation of leased equipment.</li> </ul>
<p>Office of Sponsored Programs</p>	<ul style="list-style-type: none"> <li>• Maintain fabricated equipment chart of accounts, including all relevant account attributes.</li> <li>• Indicate asset ownership on sponsored account set-up for awards containing capital assets as well as via the proper capital object code in account budget set-up (taking into consideration funding source &amp; ownership).</li> </ul>
<p>Office of Sponsored Accounting</p>	<ul style="list-style-type: none"> <li>• Review all capital asset transactions for proper accounting and compliance.</li> <li>• Preparation of sponsored property reports.</li> </ul>
<p>Procurement Office</p>	<ul style="list-style-type: none"> <li>• Review and issue purchase orders for capital assets.</li> <li>• Verify proper use of commodity codes and object codes.</li> </ul>

**CONTACTS**

Direct any general questions about this policy to your department’s administrative office.  
 If you have questions about specific issues, contact the following offices:

<b>Contact</b>	<b>Subject(s)</b>	<b>email</b>
Controller’s Office	Policy Clarification	<a href="mailto:capitalassets@stevens.edu">capitalassets@stevens.edu</a>
	New Equipment Records / Asset Tagging	
	Maintenance of inventory records (location, condition, asset representative)	
	Physical inventory	
	Disposal of Equipment (including donation, sale, etc.)	
	Capital Construction Projects	
Procurement Office	Leases (obtaining and classification)	<a href="mailto:purchasing@stevens.edu">purchasing@stevens.edu</a>
Office of Development	Receiving Gifts-in-Kind	
Environmental Health & Safety & Risk Management	Insuring Capital Assets	

## PRINCIPLES

### Overview

Stevens Institute of Technology acquires capital assets in pursuit of its mission of academic excellence. To comply with federal regulations and good business practices, this policy details the requirements for acquiring, disposing of, and accounting for these assets. To depreciate/amortize the value of the asset correctly over its useful life, assets must be recorded and capitalized in accordance with generally accepted accounting principles. This includes all equipment purchased with University funds, sponsored funds, received as a donation, capital grants or issued debt, or acquired in any other way for, or by, the University, and defined by the University as capital equipment to be included in the University's capital asset inventory system.

Also included are construction and renovation projects to be included in the University's capital asset system. If the expenditure is below the capitalization threshold, this expenditure is not added to the capital asset system, but is completely expensed at the time of the acquisition.

### Stewardship

All departments are responsible for stewardship of University assets under their control. Stewardship of capital assets involves basic safeguarding and physical security, compliance with Stevens Institute of Technology, state and federal record keeping requirements; keeping assets in good working condition; and using them safely and properly. Stewardship also includes communication with Finance as to changes in asset location, condition and asset representative as well as response to asset tagging and inventorying requests.

## PROCEDURES

### Types of Capital Assets

Capital assets are permanent, tangible or intangible and held for use in delivering the University's mission. Assets held solely for investment or resale are not considered capital assets.

Common types of capital assets are:

- Land
- Buildings
- Building Improvements
- Movable Equipment
- Fixed Equipment
- Other Improvements
- Software

A capital asset is an individual item that has a value of at least five thousand dollars (\$5,000) and a useful life of more than one year.

### Capital Asset Acquisition Methods

Stevens separates capital assets into five categories based on how the capital asset is acquired. The methods are:

- 1) Purchased (using non-sponsored funds)
- 2) Purchased (using sponsored funds)
- 3) Donated
- 4) Fabricated
- 5) Constructed

The acquisition methods and the costs included with each method are as follows.

#### 1. Purchased Assets, non-sponsored funds

The value of a purchased asset includes the purchase price, transportation costs, installation costs, value received from a trade in, and any other direct expenses incurred by Stevens in obtaining the asset. Training, maintenance agreements and warranty agreements are not considered part of the capital equipment cost and should be expensed. Leasing is a form of a purchase in which the cost is financed over a period of time. Departments purchasing assets individually greater than \$5,000 should use a capital object code (75XX) and include the Capital Commodity Code (“CAP”) in the Requisition. This requires the Requisitioner to complete the Capital Assets tab which includes relevant required asset information (i.e. make, model, serial number, location, etc.).

#### 2. Purchased Assets, sponsored funds

Assets acquired under a grant, contract, or state appropriation must comply with all contractual obligations set forth by the sponsor. Similar to assets purchased with non-sponsored funds, the value of a purchased asset includes the purchase price, transportation costs, installation costs, value received from a trade-in, and any other direct expenses incurred by Stevens in obtaining the asset. Training, maintenance agreements and warranty agreements are not considered part of the capital equipment cost and should be expensed. Sponsored awards purchasing assets individually greater than \$5,000 should use a capital object code (75XX) and include the Capital Commodity Code (“CAP”) in the Requisition. This requires the Requisitioner to complete the Capital Assets tab which includes relevant asset information (i.e. make, model, serial number, location, etc.) required for Federal compliance.

Please make note, there are different 75XX object codes which distinguish funding source (i.e. Federal vs. non-Federal) and asset ownership (i.e. Federal vs. non-Federal).

#### 3. Capital Gifts-in-Kind – Donated Assets

When an asset is donated to Stevens, the value of this asset is recorded as the fair market value of the asset at the time it is received. The fair market value of the asset can be determined by using: the appraisal value, the selling price to educational institutions of an equivalent item, and/or information detailed on IRS form 8283. The fair market value is what it would cost Stevens to purchase the asset if it had not been donated. Any transportation and installation costs required would also be included in the donated asset’s value.

Occasionally, Stevens will be asked to purchase assets funded by a government or corporation, and the government or corporation retains ownership of the asset. If the ownership of the asset is later transferred to Stevens, it is considered a gift-in-kind and its value is recorded at the market value of the item as of the date the asset is transferred to Stevens.

#### 4. Fabricated Equipment

The value of a fabricated asset is equal to the total federal allowable costs associated with its formation. The costs associated would include:

- Original invoice price paid for components
- All costs for shipping, handling, in-transit insurance, and storage related to delivery and installation of the asset and/or its components
- Any site preparation costs to ready the fabricated asset for usage
- All testing costs
- All books, manuals, and training necessary for the asset's operation

An asset is treated as fabricated equipment if it meets the definition of an asset being constructed through this process and has a defined development period. A fabricated asset is considered usable when the fabrication period is complete. The calculation of depreciation expense begins when the asset is placed into service. If any phase of a multi-phase project will produce an independent functional unit, once that phase is completed then that unit should be capitalized. Additions to capitalized fabricated equipment are treated the same as additions to equipment purchased from outside vendors.

To value a fabricated capital asset properly, when the fabrication period begins, the department carrying out the fabrication must work with the Office of Sponsored Programs to establish a unique KFS account in the Fabricated Equipment sub-fund, so that all allowable costs associated with the fabrication project can be tracked separately.

The fabricated asset must meet the criteria of a capital asset; it must have a total cost of at least five thousand dollars and a useful life of one year or more.

#### 5. Constructed Buildings and Improvements

The addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its useful life or adapt it to a new use greater than \$25,000 is considered to be of a capital nature and is capitalized on the balance sheet as an asset. The value of these types of assets equals the total dollars spent for acquiring or improving the asset including: labor, materials, architectural and design fees, charges by brokers, agents, building permits, inspections, site clearance, utilities during construction and landscaping costs.

Furnishings acquired as part of a building construction or major renovation are also capitalized with a useful life appropriate to the assets, even if the costs of the individual items are less than \$5,000. A major renovation is defined a renovation greater than \$25,000. Examples include beds and desks for a new dormitory, classroom furniture for a new academic building, or office furniture for a new administrative building. Furniture and equipment of this nature will be capitalized in bulk and not inventoried.

Incidental expenses are deemed to be those which do not lend to the enhancement or extension of the building life (e.g., moving and storage costs) and are not considered to be of a capital nature. Warranty costs and maintenance costs are expensed as incurred.

In contrast, the costs incurred to bring an asset back to an earlier condition or to keep the asset

operating at its present condition (as opposed to improving the asset) are considered to be repairs or maintenance and are treated as operating expense.

For guidance in this area, contact [capitalassets@stevens.edu](mailto:capitalassets@stevens.edu).

### Recording a Capital Asset

Capital assets are added to the Stevens' Capital Assets Module (CAM) inventory when they are purchased or donated to the University.

The following information is required to complete the capital asset record in the CAM. Some of the information will be contained in the purchase order, and other items may be requested from the department.

- Departmental account for those responsible for the asset.
- Building code and room number where the asset is located. If the asset is located off campus, the person responsible for overseeing the asset and a complete address is required.
- Description of the asset
- Asset Bar-code tag number
- Manufacturer name
- Model number, if available
- Serial number, if available
- Acquisition cost / value and date acquired
- Purchase order / invoice number
- Funding source – the account number(s) used for the acquisition of the asset and the amount charged to each account
- Condition / Status code
- Comments Section: add any additional information necessary to track an asset

To identify ownership and complete the physical inventory process, bar code tags are affixed to all new, movable capital assets. The bar code is a unique number that can be scanned electronically to update inventory records.

### Capital Purchases funded by Government or Corporate Funds

Occasionally, Stevens will be asked to purchase assets funded by a government or corporation as part of an award or contract. When this occurs, the Office of Sponsored Programs needs to indicate the ownership of those assets. If the asset(s) is Stevens-owned, then an asset is recorded and depreciated. If the asset(s) is not owned by Stevens, an asset is still recorded but is not depreciated and the capitalization equity must be transferred to a liability to properly account for the return of that asset to the owner. Regardless of asset ownership, assets must be tagged with a bar-code.

These assets cannot be sold, disposed or transferred to another organization without the permission of the owner of the asset. For assistance in these situations, contact [capitalassets@stevens.edu](mailto:capitalassets@stevens.edu).

This policy does not address all governmental rules and regulations governing the purchase, use, and disposal of government funded, furnished, or transferred equipment. Please review all pertinent requirements detailed in the sponsored agreement.



### Relocation of Equipment within a Department or to another Department

To comply with Stevens' Policy and Federal cost allocation regulations, location information for all movable equipment must be kept up-to-date. At the time equipment is relocated, complete the appropriate section of the Capital Asset Update Form. *This form is found at:*  
<https://my.stevens.edu/system/files/capital-asset-update-form.pdf>

### Conducting Physical Inventories

The purpose of a physical inventory is to verify the existence, location, and condition of equipment and to ensure the accuracy of the University's accounting records. Every two years, due to Federal compliance regulations, Stevens must perform a physical inventory of all moveable equipment.

Stevens' inventory system is the official record for capital asset. Accuracy of the information depends on all departments completing the Capital Asset Update Form to add, delete, and relocate equipment properly. *This form is found at:*  
<https://my.stevens.edu/system/files/capital-asset-update-form.pdf>

To maintain accurate inventory lists throughout the year, departments should use the Capital Asset Update Form to communicate all changes to the Finance Department as they occur. Furthermore, asset representatives are required to respond to periodic confirmation of asset location and condition by the Capital Assets Team.

Fixed (non-movable) and bulk furniture and equipment are not required to be inventoried.

The physical inventory process will reveal discrepancies between recorded data and physical assets.

The process for conducting the physical inventory consists of the following steps.

1. The Capital Asset Team will supply current asset listings to each department.
2. Department personnel are asked to note any changes to the asset's location, description, status, and condition, and any items that have been disposed.
3. The Capital Asset Team will schedule a time to inventory the items on the list and validate the location, condition, etc.
4. Department personnel assist in reconciling discrepancies and provide information to update the asset records.
5. The department head signs off on the final inventory, including all items that are listed as having been disposed of.

### Before Disposing of Capital Assets

The department disposing of the asset must complete the Asset Information Section and the Asset Transaction Activity section of the Capital Asset Update Form before disposing of an asset. All information in this section must be filled out and signed off by the Department Head. This document is forwarded to the Finance (Controller's Office, Sponsored Accounting, Procurement, Tax) for review and approval.

Disposal of Government or Corporate Funded Assets are subject to the terms of the government agency or corporation. Title to equipment may belong to Stevens or the sponsor. In either case, permission from the government agency or the corporate sponsor may/will be required before

disposing of an asset.

Before disposing of any capital gift-in-kind, a department representative must contact the Capital Asset Team for guidance. The Internal Revenue Service has specific reporting requirements for disposing of assets that were received as gifts. Gifts valued at five thousand dollars or more that are disposed of within three years of the date of gift must be reported to the Internal Revenue Service on Form 8282.

### Disposing of Capital Assets

1. Prior to disposal of a capital asset, departments must receive approval from Finance. Sale, scrap, transfer or donation of an asset to a third party is considered disposing of a Stevens' asset.
2. Request approval for disposal by completing a Capital Asset Update form. Note the asset tag number and other identifying information on the form. *Form is available at:* <https://my.stevens.edu/system/files/capital-asset-update-form.pdf>
3. After the disposal is approved, all tags and official Stevens' seals or logos must be removed. In addition, for computers all data and licensed software must be removed.
4. If the asset is sold, notify Finance of the proceeds received from the sale of the asset. They will provide an account number and object code in which to deposit the funds.
5. Assets must be discarded in an environmentally responsible fashion. Treat each asset as such that it may require special handling. For guidance contact the Director of Environmental, Health and Safety and Insurance Risk Management.

### Equipment Used at Off Campus Locations

Occasionally it is necessary to take moveable assets off campus (examples: usage at home, on business travel or off-site locations for Stevens' business activities). Assets of Stevens should not be utilized for personal business.

When removing Stevens titled capital assets from the campus for more than 14 consecutive days, the individual removing the asset(s) must notify the Capital Assets Team with the details of when the item was removed from campus and when it will be returned. Use the Capital Asset Update form for this purpose. *Form is available at:*

<https://my.stevens.edu/system/files/capital-asset-update-form.pdf>

Government-titled assets require immediate notification to the Capital Assets Team. At a minimum, this notification must include all of the following.

- Item description and bar code number
- Specific description of the off-campus location.
- Date of removal from campus
- Date of expected return.

Use the Capital Asset Update form for this purpose. *Form is available at:*

<https://my.stevens.edu/system/files/capital-asset-update-form.pdf>

### Personal Use of Capital Assets

Occasional, immaterial, or insignificant personal use of certain Stevens' assets is allowed with supervisory approval. Personal use of Stevens' assets is prohibited when such use:

1. shortens the life of the asset or accelerates its maintenance schedule, and/or
2. obstructs other Stevens' personnel who need the asset(s) to perform their position's duties.

### **Library Materials**

Although the market value of an individual item is generally below the capital threshold, Library materials are capital assets that Stevens records as long-lived assets. This category consists of books, journals, bound periodicals, and microfilms purchased and catalogued within the Williams Library. These assets are depreciated over a useful life of ten years.

Books or other materials purchased by departments and not catalogued as part of the Stevens' library collection are recorded as expenses when purchased and are not considered capital assets.

APPENDIX A –KFS Asset Types and Useful Lives

To find the most up-to-date version of this listing, search Kualu for “Asset Type” and click “Search” to pull up all values. Below is an excerpt of available Asset Types but may not be the entire list.

<b>KFS Asset Type</b>	<b>Asset Type Description</b>	<b>Estimated Useful Life</b>
BLDG	Buildings	40-50
CPNHAR	Computer Network Hardware	7
CPSOFT	Computer Software	7
EQPATH	Equipment - Athletic	7
EQPAUD	Equipment - Audio/Visual	5
EQPFRN	Equipment - Furniture & Fixtures	10
EQPHVY	Equipment - Heavy/Mobile	10
EQPAPP	Equipment - Kitchen & Cafeteria Appliances	7
EQPMCH	Equipment - Machinery and Tools	15
EQPVEH	Equipment - Motor Vehicles and Boats	4
EQPMUS	Equipment - Musical Instruments	10
EQPOFC	Equipment - Office Equipment	7
EQPLAB	Equipment - Scientific Laboratory	7
CPHAR1	Hardware-Un-accessible	7
BLDGIMP	Improvements to buildings	20
LANDIMP	Improvements to Land	15
INTAN	Intangible Assets - Patents, Copyrights	17
EQPLAB1	Lab Equipment - Inaccessible	7
LAND	Land	0
EQPMCH1	Machinery - Non Movable	15
CPNMAIN	Mainframe Computers	7
CPPERS	Personal Computers, Desktop and Laptop	5
CPSOFT1	Software-Inaccessible	5

APPENDIX B - Building Number/Abbreviation used in KFS

To find the most up-to-date version of this listing, search Quali for “Building” and click “Search” to pull up all values. Below is an excerpt of available Building Codes but may not be the entire list.

Campus code HB=Hoboken

Campus Code	Building Code	Building Name
HB	1036	1036 Park Ave
HB	2NIN	2 Ninth St.
HB	831C	831 CPT
HB	835C	835 CPT
HB	ALEX	Alexander House
HB	ALTO	Altorfer Building
HB	ANNX	Annex to Davidson Lab
HB	BABB	Babbio
HB	BERN	Bernegau House
HB	BURC	Burchard
HB	CARN	Carnegie
HB	CAST	Castle Point Apartments
HB	DAVI	Davidson Laboratory
HB	DAVS	Davis Hall
HB	EDWI	EAS
HB	GATE	Gatehouse
HB	GATEWAY1	Academic Gateway Complex-Bldg 1
HB	GIBB	Gibbs Building
HB	GRIF	Griffith
HB	HAMM	Hammond House
HB	HOWE	Howe
HB	HOXI	Hoxie House
HB	HUMP	Humphreys Hall
HB	JONA	Jonas Hall
HB	KEUF	Keuffel House
HB	KIDD	Kidde Building
HB	LEAV	Leavett House
HB	LEHM	Lehman House
HB	LOTT	Lott House
HB	MCLE	McLean
HB	MORT	Morton
HB	MULL	Muller House
HB	NICO	Nicoll
HB	PALM	Palmer Hall
HB	PEIR	Peirce

*Continuation, second page of*

APPENDIX B - Building Number/Abbreviation used in KFS

Campus code HB=Hoboken

Campus Code	Building Code	Building Name
HB	POLL	Pollara House
HB	POND	Pond House
HB	REED	Reed House
HB	ROCC	Rocco Technology Center
HB	SCHA	Schaefer Recreation Center
HB	SHRA	600-602 River Terrace
HB	TECH	Technology Hall
HB	WALK	Walker Gym
HB	WILL	Williams Library

APPENDIX C - Asset Status Codes

The code in the KFS Asset System used to specify an asset's current status as determined by physical inspection or report by the Department.

To find the most up-to-date version of this listing, search Kualu for “Asset Status” and click “Search” to pull up all values.

Asset Status Code	Asset Status Code Description
A	Asset that is active and identifiable
C	Asset that is active but not accessible
I	Inactive – Not yet in use
R	Retired
S	Excess or Surplus property

APPENDIX D - Asset Condition Codes

To find the most up-to-date version of this listing, search Quali for “Asset Condition” and click “Search” to pull up all values.

Asset Condition	Asset Condition Code Description	Asset Condition Description
E	Excellent	Asset is new or in like new condition.
G	Good	Property that is usable and identical or interchangeable with new items from normal supply sources.
F	Fair	Property that is usable but is deteriorated or damaged to the extent that utility is somewhat impaired
P	Poor	Property that is usable but is considerably deteriorated or damaged. Enough utility remains to classify the property better than salvage.
S	Scrap	Property that can be discarded as worthless or broken down into parts for disposal or salvage

APPENDIX E - Capital Asset Object Codes Defined

To find the most up-to-date version of this listing, search Kuali for “Object Code Lookup” and in the Level Code field input “CAP\*” and click “Search” to pull up all values.

Below is an excerpt of available Capital Object Codes but may not be the entire list.

Object Code	Object Code Description	Object Code Definition
7500	Capital Acquisition- <b>Budget Only</b>	This code is used to record the <b>budgeted</b> expense for capital <u>purchases</u> included in the 75xx series. (Use 7600 when budgeting for capital construction projects.) Units may use this code when adjusting an account's budget using the BA e-doc. No purchases should be recorded to 7500.
7501	Capital acquisition-Land	Expenses for land <u>purchase</u> , including legal fees, title searches, taxes, and other related expenses. If a building purchase is made in order to acquire land as well, the cost must be allocated between 7501 and 7502.
7502	Capital acquisition-Buildings	Expenses for the <u>purchase</u> of a building, including legal fees, title searches, taxes, and other related expenses. If a building purchase is made in order to acquire land as well, the cost must be allocated between 7501 and 7502.
7504	Capital acquisition - Improvements other than buildings	Expenses for the <u>purchase</u> of improvements other than buildings that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year). Examples may include the creation of parking lots, tennis courts, or purchase of light fixtures.
7505	Capital acquisition - Fixed Equipment	Expenses for the <u>purchase</u> of attached (non-moveable) equipment that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). Examples include fume hoods and ceiling projectors. This includes laboratory equipment, research equipment, and teaching equipment.



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7506	Capital acquisition - Moveable Equipment / Furniture / Vehicles	Expenses for the <u>purchase</u> of moveable equipment, including computers, furniture, and vehicles that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). This includes laboratory equipment, research equipment, and teaching equipment. Use this code when the funding source is non-federal, and when the asset will be owned by the University (rather than an outside party).
7507	Capital acquisition - Software	Expenses for the <u>purchase</u> of software that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year).
7508	Capital acquisition - Buildings (Federally-funded)	Expenses for the <u>purchase</u> of buildings that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year). Use this code when the funds for the purchase are provided by the federal government or a federal agency.
7510	Capital acquisition - Moveable Equipment Fed funded	Expenses for the <u>purchase</u> of moveable equipment, including computers, furniture, and vehicles that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). This includes laboratory equipment, research equipment, and teaching equipment. Use this code when the funds for the purchase are provided by the federal government or a federal agency.
7511	Capital acquisition - Moveable Equipment other owned	Expenses for the <u>purchase</u> of moveable equipment, including computers, furniture, and vehicles that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). This includes laboratory equipment, research equipment, and teaching equipment. Use this code when the asset will be owned by an entity other than the University.

7512	Capital acquisition – Leasehold improvements	Expenses for the <u>purchase</u> of leasehold improvements that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). Examples include changes made to ceilings, flooring and inner walls, purchase of cubicles, shelving, etc.
7513	Capital acquisition – Moveable equipment – Other Owned & Depreciated	Expenses for the <u>purchase</u> of moveable equipment, including computers, furniture, and vehicles that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). This includes laboratory equipment, research equipment, and teaching equipment. Use this code when the funds for the purchase are provided by a non-Stevens entity and Finance has made the determination to <u>depreciate</u> .
7514	Capital acquisition – Statues, Collections & Art Acquisitions	Expenses for the <u>purchase</u> of statues, collections and art acquisitions that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). These items are not depreciated.
7515	Capital acquisition – Equipment (State-funded and State-owned)	Expenses for the <u>purchase</u> of moveable equipment, including computers, furniture, and vehicles that meet the criteria of a capital asset (costs greater than \$5,000 and with a useful life of more than one year). This includes laboratory equipment, research equipment, and teaching equipment. Use this code when the funds for the purchase are provided by a State agency.

Object Code	Object Code Description	Object Code Definition
7600	Capital Construction - Budget Only	This code is used to record the <b>budgeted</b> expense for capital <u>construction</u> included in the 76xx series. Use 7500 when budgeting for capital acquisitions not related to construction projects. Units may use this code when adjusting an account's budget using the BA e-doc.
7601	Capital construction - Buildings	Expenses for the <u>construction</u> of a building, primarily for the foundation and shell.

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7602	Capital construction - Building Components	Expenses for the <u>construction</u> of building components that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year). Examples include the HVAC and elevator systems.
7603	Capital construction - Improvements other than buildings	Expenses for the <u>construction</u> of improvements other than buildings that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year). Examples include sidewalks, curbs, and parking lots.
7604	Capital construction- Landscaping	Expenses for the installation of trees, bushes and other plants on the outside of a building, that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year).
7605	Capital construction-Software	Expenses for the <u>development</u> of software that meets the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year).
7606	Capital construction-other	Expenses for the <u>construction</u> of a capital asset that does not fall into any of the other codes in the 76XX series.

<b>Object Code</b>	<b>Object Code Description</b>	<b>Object Code Definition</b>
7607	Capital construction - Buildings (Federally-funded)	Expenses for the <u>construction</u> of buildings that meet the criteria of a capital asset (costs greater than \$5,000 with a useful life of more than one year). Use this code when the funds for the purchase are provided by the federal government or a federal agency.
7609	Capital Construction - Building improvements and renovation	Expenses for the <u>construction</u> or <u>renovation</u> of a building, which meets the criteria of adding to the value of a capital asset, (greater than \$25,000 and increases the space or extends the useful life.)
7610	Capital Construction – Architects/Engineering	Expenses for the <u>construction</u> or <u>renovation</u> of a for architect and engineering fees.
7611	Capital Construction - Feasibility Studies	Expenses related to feasibility studies for capital projects for <u>construction</u> or <u>renovation</u> that come to fruition.
7612	Capital Construction - Site Preparation / Demolition	Expenses for site preparation and/or demolition that are necessary to begin the <u>construction</u> or <u>renovation</u> of a building.